

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 2401 - SB 2542

March 6, 2018

SUMMARY OF BILL: Prohibits all fines for traffic violations collected by a municipality or county from exceeding 15 percent of the total revenue of the municipality or county. Requires any traffic violation fine revenue exceeding 15 percent be paid over to the state and deposited in the state General Fund.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – In any fiscal year that a municipality’s traffic violation fee revenue exceeds 15 percent of total revenue, there will be a mandatory decrease in local revenue in the amount exceeding 15 percent and a corresponding increase in state revenue to the General Fund. The extent and timing of any such impacts cannot be reasonably determined because they are dependent upon unknown factors.

Assumptions:

- Based on information provided by the Comptroller of the Treasury, no county currently has traffic violation fine revenue exceeding 15 percent of total county revenue; therefore, any fiscal impact to counties is estimated to be not significant.
- In the absence of this legislation, this analysis assumes all municipal traffic violation fine revenue would be deposited in the designed municipal fund.
- This legislation will result in a mandatory decrease in municipal revenue in any fiscal year that the total amount of traffic violation fine revenue exceeds 15 percent of the total revenue. The extent and timing of any decrease is dependent upon the traffic violation fine revenue collected and total revenue of each municipality in any fiscal year and is further dependent on any change by the municipality in response to this legislation. As a result, any precise local impact cannot be reasonably quantified.
- In fiscal years that a municipality’s traffic violation fine revenue exceeds 15 percent of total revenue, there will also be a corresponding increase in state revenue to the General Fund.

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CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

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